Human resources management in context of corporate social responsibility

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Abstract

The globalization of economic activities in the last decade brings changes in the world of work; there is uncertainty, inequality, new risks. The new requirements apply to the management of human resources and the sustainability development. To make the company successful in the long term, it must meet the new expectations of their surroundings, which necessarily include the responsible behaviour towards the society in which it operates. Man limits reliability of the features of the system. As a result of the failure to adapt labour conditions humans began to appear health, economic and social consequences. Through human resources and people management can be designed to target the working system and increasing the efficiency of human labour. The paper focuses on the sustainable management of human resources in the context of the requirements of social responsibility, identifying current problems in this area in practice and proposes solutions.

Keywords: human resources, management, corporate social responsibility.

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1. Introduction

The world of work is changing due to technical and technological progress, global competition, demographic and 5cultural changes in society. A prerequisite for lasting prosperity organizations is to manage them to the complexity and speed of technological, social and other changes; existing organizations operate in a constantly changing environment and change has become an essential condition for their prosperity, respectively survival. The most significant changes in the management of human resources currently include the aging of the working population, the growing influence of the labour market and the required equality of disadvantaged groups of employees, increasing the workload of people at work, work remotely using information and communication technologies, pressure on organizations to reduce costs and better use of knowledge, reduced, unstructured organization using external resources staff, slow increase participation of women in traditionally male jobs with high status. (Arnold, 2007). The significance is in this era also a lower proportion of manual labour, the widening gap between people with marketable skills and knowledge and those without them and the increasing internationalization of organizations and markets. The basic prerequisite for the efficiency of the above changes is a systemic approach throughout the process of their implementation to which inherently includes the new view of human resource management and the consistent implementation of new approaches and effective tools. To make the company successful in the long term, it must meet the new expectations of their surroundings, which necessarily include the responsible behaviour towards the society in which it operates. Socially responsible behaviour of companies can be described as successive activities not only beyond the legal but also ethical, commercial and societal expectations. In our paper we focused on selected aspects of human resources management in context of social responsibility. Based on the analysis of the results of research aimed at identifying problems of social awareness of employees in SMEs and its conclusions we propose measures to address the situation.

2. Sustainable human resources management

We think, that human resource management responds to changes in the environment and conditions in which businesses operate, for example globalization, increased use of advanced technology, economic and competitive pressures. In modern management highlights the question of the quality of working conditions; the ability to maintain the quality of employable workforce.

2.1. Human resources – a factor of competitiveness

All factors of competitiveness of the enterprise depends on the quality of human resources; unique talents, their performance, high productivity, flexibility, capacity for innovation and ability to provide customer service at the highest level is a crucial component in building the competitive position of the company. Competitive advantage based on human resources and their effective management is difficult to imitate. The first condition for the success of the organization's awareness of the value and importance of people, human resources, thus realizing that people are the greatest wealth of organizations and their management decides that the organization will be successful or not (Koubek, 2005). Human resources management is therefore a business-oriented philosophy concerning the management of human resources and line managers in order to achieve prosperity and competitive advantage of the company (Jackova, 2011).

2.2. Human resources management in new era

Human resources management is strategically and logically coherent approach to the management of people in work organization and who individually and collectively contribute to the achievement of organizational goals. From the system point of view, human resource management activity whose focus is on staff and that, along with other functional areas of management contributes to achieve

synergies - to meet the objectives of both employees and the company as a whole. (Kachanakova, 2007) A key task of human resources can be considered:

- Consistency between the number and structure of jobs and staff numbers and structure so that the requirements of each job skills match the job the employee;

- To promote the appropriate style of leadership;

- Optimum use of skills, job skills and working hours;

- Respect for human relations and management careers (Armstrong, 2011).

The Personnel interact with other subsystems in the company and is influenced by them. It also has links to the external environment of the organization. In general, personnel work philosophy and express the organization's approach to managing and leading people. In practical life it used to refer to the performance of personnel actions undertaken personnel department and managers of tasks they perform for the management and leadership of their subordinates (Gogolova & Majerova, 2013).

2.3. Sustainable work

Quality performance management gives companies a competitive advantage in the market through strategic deployment of capable and dedicated employees through an integrated system of cultural and human resources processes. Sustainable work consists of five fundamental aspects of work that represent the areas cross ergonomics and corporate human resources - working conditions, physical and mental health, self-realization, reconciling work and private life; socio-economic conditions. (2013) Human resource management responds to changes in the environment and conditions in which businesses operate; according to the Association of American Society for Training and Development should be human resource management currently focused on

- Improving the quality of working life;

- Increase labour productivity;

- Increasing employee satisfaction;

- Improving staff development as individuals and collectively;

- Increased readiness to change (Armstrong, 2011)

Sustainable work is related to corporate social responsibility (CSR).

3. Corporate social responsibility - concept for modern management

The concept of corporate social responsibility is relatively new, in the past were perceived mainly economic objectives; social goals were in the background. CSR is a concept that pushes the country towards sustainable development, linking its economic development with social inclusion, environmental capacity and institutional quality. At present, the creation of conditions for the CSR paying more and more attention, not only at the individual company level, but also at the level of whole country becomes a strategic priority for many governments**.**

3.1. Voluntary principle in CSR

Corporate Social Responsibility is considered the concept when the company voluntarily assumes responsibility for the well-being and sustainable development of modern society and at the same time expected to remain competitive and profitable, and these are not two opposing objectives. Furthermore, as a voluntary commitment of companies to behave in its functioning responsibly towards the environment and society in which they operate. All CSR activities are voluntary nature of

the decision, based on the principle of ethics, morality and the willingness of companies; it is a voluntary commitment to behave responsibly towards society and the environment in which they operate. Accountability is associated with risk-taking on themselves for others who understand the business as "the process of creating something else, what belongs value through spending the necessary time and effort, the assumption of related financial, psychological and social risks, and obtaining the resulting rewards in the form of monetary and personal satisfaction" (Hishrich & Peters, 1996). With the concept of responsibility it is logically combines legal responsibility, that the legal understanding of the requirements of social responsibility. Legal understanding of the business is based on the perception of the business entity as an entity that is responsible for its obligations in making a profit as a business places. Liability of the company, however, seen as a responsibility within the purview of legislative norms, not beyond the law as a voluntary act to interested parties (stakeholders to). "Behaviour in accordance with the law is indeed correct, but it is something that the company must make ex leg. Unless we are talking about social responsibility and we mean what companies do for their employees, suppliers, customers and other interested persons, or for the environment freely "(Marko, 2011). In doing so, employers create conditions for the continuous development and updating of skills, the conditions for improving employment, prosperity and energy use for achieving career success and also private satisfaction.

3.2. Principle "Triple-bottom-line"

The adoption of the concept of CSR requires a shift in perspective from the level of "profit only" meaning orientation solely on profit, the view that allows you to see business in a wider context of social and environmental - the principle of "Three P" (people - social sphere, planet - Environmental area, profit - economic area). Company operates according to the concept of the so-called principle. "Triple-bottom-line" - so called. Triple expressing income. The overall business performance is measured not only by economic indicators, but by the combined contribution, and a contribution to the economic prosperity, the quality of the environment and social equity. In social terms, it is therefore the view of the enterprise, which creates favourable conditions of work and beyond the Labour Code and other social needs. New access is aimed on more rational use of human resources while maintaining the principle of equal treatment and the application of policies reconciling work and family or personal life. In doing so, employers create conditions for the continuous development and updating of skills, the conditions for improving employment, prosperity and energy use for achieving career success and success in private life(Sakal, Drienikova, Fidlerova, Hrdinova, Mrvova & Smida, 2013).

3.3. Employees – a key stakeholder of CSR

We believe that social responsibility in corporate governance in the modern world is considered to be essential even if the company does not answer open this concept. Human potential is a common feature of every organization, every business. In addition to technology, equipment, material and energy resources, and human potential it is considered necessary resources needed to ensure the efficient and effective functioning of any enterprise (Cambal, 2000). Man limits his options reliability features of the work. As a result of the failure to adapt labour conditions began to appear human health, economic and social consequences. Employees are the key stakeholders in meeting the objectives of socially responsible action. Human Resources Management is responsible for the processes that lead to a genuine employee involvement in CSR activities, changes in corporate culture and mind-set changes. Unless employees are involved in CSR activities, the reporting on CSR can be considered only as a promotional strategy. According to the World Business Council for Sustainable Development(2000), we can corporate social responsibility be characterized as continuous commitment of businesses to behave ethically, to contribute to sustainable economic development, while contributing to improving the quality of life for employees and their families, as well as local

communities and society as a whole. This concept expresses the relationship of the company with all its stakeholders involved, t. j. owners and investors, employees, public authorities, suppliers, competitors, communities, customers, etc. Ignoring employees is a lost opportunity both in communicating the company's activities in the field of CSR away from employees as brand ambassadors to the public and especially for their biased and offering the chance to contribute to CSR activities. Enterprises often deliberately do not engage employees in corporate social responsibility activities, which would otherwise be able to attract the best talent and also to stabilize them, engage and motivate. Although many employees may worry respectively interested in topics of external CSR (environment, social issues and human rights), there are also internal areas such as health, balance between work and private life and family care and so on. So if the aim is to create a passionate workforce, then it is necessary to engage employees in both areas of the CAP (McElhaney, 2011). If it has to be filled with socially responsible behavior, human resource management is responsible for the processes that lead to real involvement of employees in CSR activities.

4. Research results and proposals of measures

We emphasize that the responsibility is not a condition, state variable, it is not a one-off meet certain standards, requirements, but it is a process which is characterized by the permanence and voluntary. Legally responsible conduct towards employees is an important fulfillment of corporate social responsibility, while the fact those employees do not even realize. In our research, we focused on the problem of understanding social responsibility on the part of employees in small and medium-sized enterprises. In Slovakia, the concept of corporate social responsibility connects more with the large companies, and especially foreign ones. We assume, therefore, that awareness of this issue among employees of SMEs will not be sufficient which is why many discrepancies between the statements and the self-presentation of businesses and real estate.

4.1. Results of research

We investigated the problem of awareness and information level using an anonymous questionnaire on a sample of respondents in Zilina region. On a sample of 229 employees in SMEs we examined their attitude and understanding of the issues of social responsibility. The research results point to a lack of awareness and understanding of issues in the social aspects of corporate social responsibility. Only 12% of respondents understood the concept of "corporate social responsibility", 21% understood the concept primarily as a social treatment, social welfare or social assistance. 32% of respondents link the term with obligations and legal compliance in environmental and waste management, 24% with the obligation to pay taxes and duties, and 11% with fair competition and corporate ethics.

In the perception of the working time organization in relation to its social aspects; the majority of respondents (62%) perceived this problem only as compliance with the Labour Code. Only 31% of respondents can see in this context legal possibility and various forms of working time flexibility. 27% of respondents use flexible working time and two employees are employed with reduced work time. 57% of respondents can see shortcomings mainly in inappropriate overtime and non-recognition of obstacles at work. Another problem is the unilateral determination of the holidays according to employer needs.

In area of human rights and equal treatment the research shows that 38% of employees met with the discrimination in the selection of employees, 42% of them feel to be discriminated in pay. 27% of respondents don´t identify other inappropriate behavior (such as; indirect discrimination, mobbing etc.) as a manifestation of unequal treatment.

67% of respondents consider the possibility of negotiations and dialogue with management insufficient, 21% consider dialogue with management in compliance. In the area of employee

representatives 49% of respondents perceives a trade union or works council as a formal without significant impact on the quality of working life of employees.

In the field of work protection 69% of respondents consider corporate actions in safety and health at work satisfactory, but 28% are met with demands to ensure the personal protective equipment at their own expense, 49% consider health and safety training formal, 37% are not informed of the specific risks arising from work activity. 76% consider stress as a natural part of working life.

The company education and training is by 39% of respondents understood as above-standard willingness; only 25 % of respondents understand these activities as the employer's obligation to educate employees in accordance with the needs of the company, 9% never attend any training.

4.2. Proposals of measures

The research results point to serious shortcomings in the minds of employees in the context of sustainable human resources management and understanding social responsibility towards them. Responsibility business venture to society is understood in most cases as a duty of care to the ecology, sponsorship, compliance with tax laws, or a matter of corporate ethics and culture. Employees paradoxically can look at the company from external point of view and fewer realize that they are a central component of corporate social responsibility. It is necessary to improve knowledge of students as future employees in all types and degrees of schools. The most important are the following areas of knowledge as indicators of sustainable work:

4.2.1 Sustainable wages and motivation

Calls for the establishment of a fair system that can bring positive effects on work results and employee satisfaction, financial incentives are often insufficient and in small and medium enterprises are becoming more widespread awareness of the non-financial motivation. Satisfied employees are more productive and have fewer absences. Conversely, dissatisfaction among employees leads to poor quality of work, a weaker performance, or negative attitude towards social responsibility.

4.2.2 Education

Corporate training is an important indicator of the sustainability of human resources management, to company achieves compliance with the requirements of the position and competencies of employees as well as better motivation.

4.2.3 The principle of equality at work

Equal access to employees, respect for human rights at work and protection against acts of discrimination are important management activities of managers, resulting in satisfied employees bringing effect for the company and the business' reputation. In the field of employment it is important to apply the principle of employment and ethnic minorities, disabled or elderly. In the process of acquisition (recruitment) staff is necessary to establish mechanisms to prevent discrimination against certain groups of workers (women, the elderly and people with disabilities).

4.2.4 Organization of working time

Efficient organization of working time also requires compliance with the requirements and needs of employees, for instance in connection with the harmonization of work and family life. The aim of flexible forms of employment is to meet the needs of employers; employees can better reconcile their professional life with caring for a family, or with the education process. It also allows for an increase in employment for people who are on the labour market in some way disadvantaged and unable to carry out work on standard working time. The impact of working life to personal life can be monitored and

coordinated in several ways. This is for example flexible working hours, which is now used in most businesses. Examples are working from home, job sharing or reduced working hours. Deserve attention mainly staff on shift work, especially because this type of work affects their personal life. Company in support of family life can provide different contributions to child care; especially in large enterprises is the possibility of building a company kindergarten.

4.2.5 Effective communication

Quality of internal communication plays an important role in motivating employees to become actively involved in corporate events, decisions and making changes. Transparent information on financial, qualitative and performance indicators by the management and the possibility of providing feedback from employees contribute to effective corporate governance and the elimination of many problems.

4.2.6 Work protection

Work protection – safety and health protection are the fundamental human rights of employees. Percentage of the employer entity - entrepreneur also depends on the level of care for its employees, where the irreplaceable care to create the conditions for a safe and health-threatening job of satisfying working environment and working conditions. This concern for health and safety at work is indeed a cost to the employer, but the company reduce the possibility of accidents at work and occupational diseases, thus creating the conditions for greater involvement of employees, which will be reflected ultimately to higher productivity and quality of work.

4.2.7 Support for redundant workers

A socially responsible company is also engaged in supporting redundant workers. It is necessary to create rules and procedures for such situation to mitigate the social impact of job loss. It is especially job search assistance, security retraining, severance pay etc. Management can use specific new tools, e.g. one example is the application of the philosophy of "cradle to cradle" applied to an employee. If an employee ceases to satisfy the requirements of the job it may be applied to another workplace. Alternatively, if a company has streamlined its production of surplus staff will use the new investment instead of being placed.

4.3. Proposal procedure for the establishment of sustainable human resources management in small and medium-sized enterprises

For the sustainable management of human resources in small and medium sized businesses is necessary to implement systemic solutions. We recommend the application of sustainable management of human resources and the introduction of a comprehensive international verifiable standard for auditing and certifying compliance with corporate responsibility - STANDARD 8000, which is designed and applicable to companies of all sizes. This standard shows its commitment to stakeholders and also to care human resources. SA 8000 provides verifiable requirements in nine major areas:

- Child labour - prohibition of Child Labour (in most cases up to 15 years);
- Forced labour - the workers are not required to give up their rights and freedoms as a condition of employment;
- Health and safety - the company must meet basic standards for a safe and healthy working environment;
- Freedom of association - protects the rights of employees in creating and entering into trade unions and in collective bargaining, without fear of the consequences thereof;

• Discrimination - there shall be no discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership or political affiliation;
• Disciplinary procedures - prohibits corporal punishment, mental or physical coercion and verbal abuse of workers;
• Working hours - sets the maximum 48 hour working week with at least one free day per week and a maximum of 12 hours overtime per week held at the preferential rate;
• Compensation - wages paid must meet the minimum legal standards and ensuring sufficient income to cover basic needs.

When introducing a new approach in line with the social responsibility, we propose the following procedure:

• Including a new philosophy to business strategy; informing management and employees with the philosophy of sustainable corporate social responsibility and value creation sharing with all stakeholders, with an emphasis on human resources management.

• Commitments made and targets - a changing in thinking in relation to human resources, acceptance of the undertaking new approach and objectives of management, support for the introduction of specific measures and changes. This means the integration of human resources in key areas of concern of creating shared values, setting strategic goals.

• Assigning responsibilities and competencies - determination of the responsible person and his competency in attaining the goals - a coordinator of the realization team.

• Planning and implementation measures - planning is done on the basis of the conclusions of the analysis of the company in order to identify gaps and take steps to eliminate them. The measures can be implemented through the certified standard SA 8000. The introduction of the management system of social responsibility, which specifies transparent, measurable and verifiable requirements for social responsibility.

• Within the internal preparations, the company shall notify all the standard requirements, it reveals the shortcomings and integrates the standards established procedures into the existing enterprise management system. Then can be started the certification process in three steps:

• Evaluation of the audit readiness - in which shall be assessed in compliance with current regulations and evaluate current practices in relation to the requirements of the SA 8000 auditors found deficiencies to be rectified before the certification audit;

• Certification audit - consisting of checking and evaluating the implementation and effectiveness of the system according to the standard. After a successful audit certificate is issued certificate for three years;

• Surveillance audits - verifying every six months stability and improvement of the system. After the three-year period – refresh validity.

• Monitoring and evaluation of the objectives fulfilment

• Monitoring and reporting strategic objectives arise from the obligation, and the specific objectives and measures taken as well as selected indicators. This activity allows you to identify shortcomings and correct the ongoing activities in the interest of all stakeholders.

5. Conclusion

Implement, maintain and enforce policies and procedures in the field of human resources and working environment; is evidence that policies, procedures and practices are in accordance with the requirements of SA 8000. The benefit is mainly the improvement of the position in the competitive

environment, which becomes "competition levels"; a clear demonstration of social responsibility, improved staff communication with the employer, efficient and reliable supply chain; measurable synthesis of the organization's social responsibility; effective management of risks associated with work and not least a good reputation in the labour market. Compliance with labour standards, creation of favourable working conditions, various employee benefits, optional benefits, training and career development, adequate remuneration for work performed, reconciling work and family life, creating special conditions for employees with family responsibilities, increasing the flexibility of working time organization, implementation principles equal opportunities, the unfairness of harassment in any form in the workplace, ethical behaviour of executives and space for open discussion with management to employees motivation, contribute to social and psychological well-being in the workplace, which has a positive impact on productivity and quality of work, profitability and competitiveness. Sustainable human resources management brings positive effects in terms of sustainable job where individuality productively employed in jobs that keep mental and economic well-being over time and work that strikes a balance between the different interests of employers, employees and families. In doing so, employers create conditions for the continuous development and updating of skills, the conditions for improving employment, prosperity and energy use for achieving career success and outside the workplace.

Acknowledgements

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